

Message Text

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ORIGIN EB-07

INFO OCT-01 EUR-12 ISO-00 SSO-00 NSCE-00 USIE-00 INRE-00

AGR-05 CEA-01 CIAE-00 COME-00 DODE-00 FRB-01 H-01

INR-07 INT-05 L-02 LAB-04 NSAE-00 NSC-05 PA-01 RSC-01

AID-05 CIEP-01 SS-15 STR-01 TAR-01 TRSE-00 PRS-01

SP-02 OMB-01 FEA-01 SAJ-01 LOC-01 /083 R

DRAFTED BY EB/ITP/EWT:SCHAAS:CLK

APPROVED BY EB/ITP/EWT:RBWRIGHT

EB/ITP/EWT-MTLORIMER

EUR/EE-RCHRISTENSEN

TREASURY-SLYON

COMMERCE/BEWT-MLEVINE

COMMERCE/OTP-FABBUHL

STR-SLANDE (INFO)

CIEP-DEVANS (INFO)

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FM SECSTATE WASHDC

TO AMEMBASSY BUCHAREST IMMEDIATE

C O N F I D E N T I A L STATE 003277

E.O. 11652: GDS

TAGS: EEWT, RO

SUBJECT: REQUIREMENTS OF TRADE ACT OF 1974

REF: BUCHAREST 43

1. FOLLOWING IS TEXT OF SECTION 405, TITLE IV, 1974 TRADE
ACT SPECIFYING LEGISLATIVE REQUIREMENTS FOR PROVISIONS
OF TRADE AGREEMENT.

BEGIN QUOTE. SECTION 405. AUTHORITY TO ENTER INTO
COMMERCIAL AGREEMENTS.

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(A) SUBJECT TO THE PROVISIONS OF SUBSECTIONS (B) AND (C) OF THIS SECTION, THE PRESIDENT MAY AUTHORIZE THE ENTRY INTO FORCE OF BILATERAL COMMERCIAL AGREEMENTS PROVIDING NONDISCRIMINATORY TREATMENT TO THE PRODUCTS OF COUNTRIES HERETOFORE DENIED SUCH TREATMENT WHENEVER HE DETERMINES THAT SUCH AGREEMENTS WITH SUCH COUNTRIES WILL PROMOTE THE PURPOSES OF THIS ACT AND ARE IN THE NATIONAL INTEREST.

(B) ANY SUCH BILATERAL COMMERCIAL AGREEMENT SHALL--

(1) BE LIMITED TO AN INITIAL PERIOD SPECIFIED IN THE AGREEMENT WHICH SHALL BE NO MORE THAN 3 YEARS FROM THE DATE THE AGREEMENT ENTERS INTO FORCE; EXCEPT THAT IT MAY BE RENEWABLE FOR ADDITIONAL PERIODS, EACH NOT TO EXCEED 3 YEARS; IF --

(A) A SATISFACTORY BALANCE OF CONCESSIONS IN TRADE AND SERVICES HAS BEEN MAINTAINED DURING THE LIFE OF SUCH AGREEMENT, AND

(B) THE PRESIDENT DETERMINES THAT ACTUAL OR FORESEEABLE REDUCTIONS IN UNITED STATES TARIFFS AND NONTARIFF BARRIERS TO TRADE RESULTING FROM MULTILATERAL NEGOTIATIONS ARE SATISFACTORILY RECIPROCATED BY THE OTHER PARTY TO THE BILATERAL AGREEMENT;

(2) PROVIDE THAT IT IS SUBJECT TO SUSPENSION OR TERMINATION AT ANY TIME FOR NATIONAL SECURITY REASONS, OR THAT THE OTHER PROVISIONS OF SUCH AGREEMENT SHALL NOT LIMIT THE RIGHTS OF ANY PARTY TO TAKE ANY ACTION FOR THE PROTECTION OF ITS SECURITY INTERESTS;

(3) INCLUDE SAFEGUARD ARRANGEMENTS (A) PROVIDING FOR PROMPT CONSULTATIONS WHENEVER EITHER ACTUAL OR PROSPECTIVE IMPORTS CAUSE OR THREATEN TO CAUSE, OR SIGNIFICANTLY CONTRIBUTE TO, MARKET DISRUPTION AND (B) AUTHORIZING THE IMPOSITION OF SUCH IMPORT RESTRICTIONS AS MAY BE APPROPRIATE TO PREVENT SUCH MARKET DISRUPTION;

(4) IF THE OTHER PARTY TO THE BILATERAL AGREEMENT IS NOT A PARTY TO THE PARIS CONVENTION FOR THE PROTECTION OF INDUSTRIAL PROPERTY, PROVIDE RIGHTS FOR UNITED STATES NATIONALS WITH RESPECT TO PATENTS AND TRADEMARKS IN SUCH COUNTRY NOT LESS THAN THE RIGHTS SPECIFIED IN SUCH CONVENTION;

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(5) IF THE OTHER PARTY TO THE BILATERAL AGREEMENT IS NOT A PARTY TO THE UNIVERSAL COPYRIGHT CONVENTION, PROVIDE RIGHTS FOR UNITED STATES NATIONALS WITH RESPECT TO COPYRIGHTS IN SUCH COUNTRY NOT LESS THAN THE RIGHTS SPECIFIED IN SUCH CONVENTION;

(6) IN THE CASE OF AN AGREEMENT ENTERED INTO OR RENEWED AFTER THE DATE OF THE ENACTMENT OF THIS ACT, PROVIDE ARRANGEMENTS FOR THE PROTECTION OF INDUSTRIAL RIGHTS AND

PROCESSES;

(7) PROVIDE ARRANGEMENTS FOR THE SETTLEMENT OF COMMERCIAL DIFFERENCES AND DISPUTES;

(8) IN THE CASE OF AN AGREEMENT ENTERED INTO OR RENEWED AFTER THE DATE OF THE ENACTMENT OF THIS ACT, PROVIDE ARRANGEMENTS FOR THE PROMOTION OF TRADE, WHICH MAY INCLUDE THOSE FOR THE ESTABLISHMENT OR EXPANSION OF TRADE AND TOURIST PROMOTION OFFICES, FOR FACILITATION OF ACTIVITIES OF GOVERNMENTAL COMMERCIAL OFFICERS, PARTICIPATION IN TRADE FAIRS AND EXHIBITS, AND THE SENDING OF TRADE MISSIONS, AND FOR FACILITATION OF ENTRY, ESTABLISHMENT, AND TRAVEL OF COMMERCIAL REPRESENTATIVES;

(9) PROVIDE FOR CONSULTATIONS FOR THE PURPOSE OF REVIEWING THE OPERATION OF THE AGREEMENT AND RELEVANT ASPECTS OF RELATIONS BETWEEN THE UNITED STATES AND THE OTHER PARTY; AND

(10) PROVIDE SUCH OTHER ARRANGEMENTS OF A COMMERCIAL NATURE AS WILL PROMOTE THE PURPOSES OF THIS ACT.

(C) AN AGREEMENT REFERRED TO IN SUBSECTION (A), AND A PROCLAMATION REFERRED TO IN SECTION 404(A) IMPLEMENTING SUCH AGREEMENT, SHALL TAKE EFFECT ONLY IF (1) APPROVED BY THE CONGRESS BY THE ADOPTION OF A CONCURRENT RESOLUTION REFERRED TO IN SECTION 151, OR (2) IN THE CASE OF AN AGREEMENT ENTERED INTO BEFORE THE DATE OF THE ENACTMENT OF THIS ACT AND A PROCLAMATION IMPLEMENTING SUCH AGREEMENT, A RESOLUTION OF DISAPPROVAL REFERRED TO IN SECTION 152 IS NOT ADOPTED DURING THE 90-DAY PERIOD SPECIFIED BY SECTION 407(C)(2). END QUOTE.

2. IN ADDITION EMBASSY SHOULD BE AWARE OF SENATE FINANCE COMMITTEE'S VIEWS, QUOTED BELOW FROM ITS REPORT, ON SAFEGUARD PROVISIONS.

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BEGIN QUOTE. 1. SAFEGUARD PROVISIONS IN COMMERCIAL AGREEMENTS.--UNDER THE COMMITTEE BILL, CONSULTATION PROCEDURES AND RULES WOULD BE WRITTEN INTO ALL COMMERCIAL AGREEMENTS WITH NONMARKET COUNTRIES SIMILAR TO ARTICLE 3 AND ANNEX I OF THE US-USSR TRADE AGREEMENT. END QUOTE. KISSINGER

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